



COUNTY OF LOS ANGELES

DEPARTMENT OF PARKS AND RECREATION

"Creating Community Through People, Parks and Programs"

Russ Guiney, Director

August 8, 2006

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

**APPROVAL OF FUNDING ALLOCATION TO
THE BONELLI REGIONAL PARK WATER LINE PROJECT
(C. P. No. 86716)
(Fifth Supervisorial Districts 3-Vote Matter)**

**IT IS RECOMMENDED WITH THE CHIEF ADMINISTRATIVE OFFICER THAT YOUR
BOARD:**

1. Find that the proposed project is exempt from the California Environmental Quality Act (CEQA) according to the Section of the State CEQA Guidelines and the Class of the Environmental Document Reporting Procedures and Guidelines adopted by your Board on November 17, 1987, cited herein.
2. Approve funding allocation of \$175,000 to the Frank G. Bonelli Regional Park Water Line Project (C.P. 86716) which was received from a Transfer Fee paid to the County of Los Angeles (County) resulting from the sale of the Raging Waters Concession.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Approval of this action will allocate a \$175,000 "Transfer Fee", received from the sale of the Raging Waters Concession, to the Bonelli Park Water Line Project.

In order to complete the transfer of title of the Raging Waters concession from Festival Fun Parks, LLC to Palace Entertainment Holdings, Inc., the County was required to consent to the transaction and to collect a transfer fee pursuant to Sections 17.04 and 17.07 of the Concession Agreement for the Raging Waters concession.

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BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

On March 30, 2006, the Director of Parks and Recreation (Director) executed a letter of consent and estoppel certificate relating to the sale of Raging Waters concession at Frank G. Bonelli Regional Park and collected a transfer fee of one percent of the sale, equal to \$175,000. It is recommended that your Board approve the allocation of the transfer fee funds to the Capital Project (CP) Budget (CP No. 86716).

The proposed waterline project entails the replacement and relocation of the high pressure water line that is underlying the roadway over Puddingstone Dam. The current water line is old and requires frequent repairs that require the closure of portions of the park while repairs are made. Allocation of the transfer fee to the project will allow the project to proceed.

Implementation of Strategic Plan Goals

Approval of the recommended action supports County Strategic Plan Goal No. 4 (Fiscal Responsibility) by increasing the Department's public/private partnerships, managing our resources effectively, and investing in the public infrastructure.

FISCAL IMPACT/FINANCING

Approval to accept the transfer fee funds into the CP Budget was approved by your Board on June 26, 2006, during the Final Budget Deliberations. Sufficient appropriation for the entire project will be available in the Fiscal Year 2006-07 CP Budget under C.P. 86716.

The total cost for the proposed waterline project is currently estimated at \$1,145,000 including design, construction, contingency, and county services. The project is currently funded by net County cost from savings identified from the Fiscal Year 2003-04 Operating Budget and appropriated to the CP Budget during the Fiscal Year 2004-05 Final Supplemental Budget Adjustment (\$970,000) and the proceeds from the transfer of Raging Waters (\$175,000).

Operating Budget Impact

The Department of Parks and Recreation (Department) does not anticipate any ongoing costs resulting from improvements to the Bonelli Park Water Line. The nature of the improvements is to replace existing infrastructure, which the Department has determined will not require additional maintenance.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

In March 1983, your Board approved a concession agreement (No. 43893) between the County and the Raging Waters Group, Inc., for the construction and operation of a planned recreational development at Frank G. Bonelli Regional County Swim Park.

In accordance with Sections 17.04 and 17.07 of the Concession Agreement, as amended, the Concessionaire may transfer, sell, exchange or divest them of any interest that they may have in the Concession. However, in the event that such a transfer is affected in such a way to give the majority controlling interest of Concessionaire to any persons, corporation, partnership or legal entity, approval is required by the Director. Upon approval of any transfer of controlling interest, a transfer fee equal to one percent of the gross sales price shall be paid to the County.

ENVIRONMENTAL DOCUMENTATION

The proposed project is exempt from CEQA according to Section 15302(c) of the State CEQA Guidelines and Class 2(e) of the Environmental Reporting Procedures and Guidelines adopted by your Board on November 17, 1987, because the project provides for the replacement or reconstruction of existing utility systems and/or facilities involving negligible or no expansion of capacity.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

This action will have no impact on any other current services or projects but will allow the replacement and relocation of the high pressure water line at Bonelli Park to proceed.

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CONCLUSION

Please instruct the Executive Officer-Clerk of the Board to forward one (1) conformed copy of this letter to the Chief Administrative Office, Capital Projects Division, and four (4) conformed copies of this letter to the Department of Parks and Recreation for distribution.

Respectfully submitted,



Russ Guiney
Director



David E. Janssen
Chief Administrative Officer

RG:KW

c: Executive Officer (22)
Chief Administrative Office
County Counsel